Editor’s Note

This is the second of our three special issues on the collapse of the Soviet Union. The final special issue on this theme will appear in the Spring 2004 issue of the journal. Eventually, the articles in these three issues as well as a few other essays will be put out as a book, *The Collapse of the Soviet Union*.

As we finish Volume 5 of the journal, we have already been planning the four issues of Volume 6. Work on the first two issues of Volume 6 will take place during the summer, and we look forward to putting out new articles and reviews in 2004. In 2004 we will continue to be located at 625 Massachusetts Avenue (in a large building rented by Harvard University), but in June 2005 we are tentatively scheduled to move into our permanent quarters in the south building of Harvard’s new Center for Government and International Studies (CGIS) at 1730 Cambridge Street, across the street from the former location of Coolidge Hall. Although I look forward to moving into the CGIS, I am pleased that the offices in our current building have worked out much better than I had anticipated.

Over the past few years, several eminent scholars long affiliated with Harvard’s Russian Research Center (now the Davis Center)—Adam Ulam, Joseph Berliner, and Franklyn Holzman—have died. This spring we marked the death of another distinguished expert on the Soviet Union, Abram Bergson, the George F. Baker Professor Emeritus of Economics at Harvard, who had just turned eighty-nine. Abe was one of the most influential economists ever to write about the Soviet economy, and he also was a leading figure in the field of welfare economics. He first made his name in the economics profession in 1938 when, as a 23-year-old graduate student at Harvard, he published a seminal article, “A Reformulation of Certain Aspects of Welfare Economics,” *Quarterly Journal of Economics*, Vol. 52, No. 2 (February 1938), pp. 310–334, which introduced the concept of a social welfare function in a general form. This concept was subsequently extended and redefined by Paul Samuelson, Kenneth Arrow, John Harsanyi, and others.

Although Abe continued to pursue welfare economics throughout his long career, his main focus of study was the centrally planned economy of the Soviet Union. His decision to specialize on this topic was motivated by his concern that little scholarly research on the Soviet Union had been published by Western economists. “In the mixed-up world of the time,” he wrote in a 1987 retrospective on his career, “how socialist planning functioned in the one country where it was being applied on any scale seemed a rather momentous matter.” The closed nature of Soviet society, especially during the long reign of Josif Stalin, and the paucity of reliable data made it extremely difficult to gain an accurate sense of the dimensions of the Soviet economy. To recalculate Soviet national income accounts, Abe devised an adjusted factor-cost standard

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(AFCS) based on neoclassical production theory. Variants of his AFCS methodology were later adopted not only by many academic economists but also by economic analysts at the U.S. Central Intelligence Agency (CIA) who were responsible for gauging the size of the Soviet economy. (It should be noted that the CIA’s calculations included adjustments for profits and for interest on fixed capital—adjustments that were not envisaged or endorsed by Abe.) In the 1970s and early 1980s a number of Western economists proposed alternative methodologies, but these approaches tended to be highly idiosyncratic and were based on unclear or ad-hoc adjustments. As a result, factor-cost valuation remained the dominant procedure for measuring the Soviet economy.

Now that the Soviet Union has collapsed and vastly more information is available, it is clear that the adjustments in Abe’s model were insufficient to compensate for the imperfections of Soviet data and the peculiarities of the Soviet economy. As Abe himself acknowledged in an article he published in the Autumn 1991 issue of the Journal of Economic Perspectives, the estimates produced by the CIA (using a version of AFCS) overstated Soviet gross output and consumption by a sizable margin. The basic problem, as Vladimir Kontorovich has noted, was that AFCS assumed cost minimization (a core assumption of neoclassical production theory), whereas evidence of producer behavior in the investment goods and services sector of the Soviet economy shows that the reality was one of cost maximization (because it allowed producers to raise their prices and thus increase their gross value of output). Despite this flaw in AFCS, there is no question that Abe’s many contributions to the study of the Soviet economy were of immense and lasting importance.

When I first met Abe in the mid-1980s as a graduate student, I spoke with him at length about his sense of where the Soviet economy was heading. I was struck by his willingness to discuss these matters so thoroughly and patiently with a mere graduate student who was nearly fifty years younger than he. At that point I addressed him as “Professor Bergson,” but when I became an assistant professor at Harvard the following year, I began calling him “Abe,” a move that seemed quite daring. (Many of Abe’s former students, including some who later became his colleagues, continued to call him “Professor Bergson” for decades afterward.) Subsequently, Abe and his wife, Rita, invited me to their house numerous times and also invited a friend of mine, Heidi Kroll, an economist specializing on the Soviet Union. Heidi and I greatly enjoyed the opportunity to meet informally with the Bergsons (including one time when we all went swimming at the Bergsons’ country club), and I am proud to have known Abe and Rita as friends. I will deeply miss Abe’s presence at the Davis Center, where he will always be remembered for his probing (at times intimidating) questions during the daily coffee hours and the weekly economists’ seminars. Abe was often mentioned as a candidate for the Nobel Memorial Prize in Economic Sciences, the annual award established in 1968 by the Bank of Sweden. Although he did not ultimately receive the prize, the esteem in which he is—and will continue to be—held in the economics profession and in the field of Soviet studies is of an equivalent scale.